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*Counsel for the Official Committee of Equity Security Holders of  
USA Capital First Trust Deed Fund, LLC*

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:  
USA COMMERCIAL MORTGAGE COMPANY  
Debtor

) BK-S-06-10725-LBR  
) Chapter 11  
)

In re:  
USA CAPITAL REALTY ADVISORS, LLC,  
Debtor

) BK-S-06-10726-LBR  
) Chapter 11  
)

In re:  
USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,  
Debtor

) BK-S-06-10727-LBR  
) Chapter 11  
)

In re:  
USA CAPITAL FIRST TRUST DEED FUND, LLC,  
Debtor.

) BK-S-06-10728-LBR  
) Chapter 11  
)

In re:  
USA SECURITIES, LLC,  
Debtor.

) BK-S-06-10729-LBR  
) Chapter 11  
)

**Affects**

- ☐ All Debtors  
☐ USA Commercial Mortgage Co.  
☐ USA Securities, LLC  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed  
☒ USA First Trust Deed Fund, LLC

) DATE: February 15, 2007  
) TIME: 9:30 a.m.  
)

**STIPULATION RE MOTION BY THE OFFICIAL COMMITTEE OF EQUITY  
SECURITY HOLDERS OF USA CAPITAL FIRST TRUST DEED FUND LLC TO  
ESTIMATE AN ADEQUATE RESERVE FOR UNLIQUIDATED AND DISPUTED  
CLAIMS IN ORDER TO PERMIT FURTHER DISTRIBUTIONS TO FTDF  
MEMBERS (KANTOR)**

The undersigned, the Official Committee of Equity Security Holders of USA Capital

1 First Trust Deed Fund, LLC (the "FTDF Committee"), by and through their counsel, Candace  
 2 C. Carlyon, Esq., of the law firm of Shea & Carlyon, Ltd.; and claimants, Kantor Nephrology  
 3 Consultants, Ltd. 401(k) PSP, Dr. Gary Kantor and Lynn M. Kantor (collectively the "Kantor  
 4 Claimants"), by and through their counsel, Michael M. Schmahl, Esq. of the law firm of  
 5 McGuireWoods LLP, hereby stipulate as follows:

7 1. Kantor Nephrology Consultants, Ltd. 401(k) PSP ("KNC") has filed an  
 8 unliquidated, unsecured claim (claim no. 123) in the FTDF bankruptcy.

9 2. Dr. Gary Kantor ("Dr. Kantor") has filed an unliquidated, unsecured claim  
 10 (claim no. 124) in the FTDF bankruptcy.

11 3. Lynn M. Kantor (collectively with KNC and Dr. Kantor, the "Kantors") has  
 12 filed an unliquidated, unsecured claim (claim no. 125) in the FTDF bankruptcy (collectively  
 13 the "Kantor Claims").

14 4. The FTDF Committee has filed its MOTION BY THE OFFICIAL  
 15 COMMITTEE OF EQUITY SECURITY HOLDERS OF USA CAPITAL FIRST TRUST  
 16 DEED FUND LLC TO ESTIMATE AN ADEQUATE RESERVE FOR UNLIQUIDATED  
 17 AND DISPUTED CLAIMS IN ORDER TO PERMIT FURTHER DISTRIBUTIONS TO  
 18 FTDF MEMBERS (the "Motion") in which, the FTDF Committee has requested that the  
 19 Court set a reserve for unliquidated claims, including the Kantor Claims, in order to permit  
 20 the Debtor to make interim distributions to all equity holders of FTDF.

21 5. The FTDF Committee has informed the Kantors that it and the Debtor  
 22 anticipate making an interim distribution to all equity holders of FTDF during the month of  
 23 February, 2007 (the "February Equity Distribution") out of the approximately \$10 million in  
 24 cash currently held by FTDF, less appropriate reserves for anticipated administrative expenses

1 and claims.

2 6. The FTDF Committee has informed the Kantors that the FTDF has received an  
3 offer to purchase the FTDF's remaining loan portfolio for approximately \$36 million, which is  
4 scheduled to close on or about February 16, 2007. Additionally, the FTDF Committee has  
5 informed the Kantors that, in the event this sale does not close, the FTDF will continue to own  
6 a loan portfolio comprised of partial or complete interests in various secured loans with a face  
7 value of approximately \$49 million.  
8

9 IT IS HEREBY AGREED THAT:

10 1. In order to permit the Debtor to make the February Equity Distribution, the  
11 Kantor Claimants agree to the establishment an interim reserve for the Kantor Claims (the  
12 "February Kantor Reserve").  
13

14 2. The parties agree that the February Kantor Reserve shall be in the amount of  
15 \$1.00 solely for the purposes of allowing the Debtor to make the February Equity Distribution.  
16

17 3. All of the parties to this stipulation agree and understand that this is an interim  
18 measure designed to allow the FTDF to make the February Equity Distribution and that the  
19 amount of the February Kantor Reserve will have no effect on the ultimate allowance,  
20 disallowance, priority, amount, or other treatment of the Kantor Claims, which shall be  
21 determined pursuant to further order of the Court. As such, the amount of the reserve shall  
22 not be construed or otherwise interpreted as an estimation of the Kantor Claims and shall not  
23 have any preclusive, *res judicata*, or otherwise prejudicial effect on the ultimate amount of the  
24 Kantor Claims.  
25

26 4. The parties further agree that the February Kantor Reserve shall only apply to  
27 the February Equity Distribution and that the Kantors retain all of their rights to object to any  
28

1 additional distributions to equity holders in the FTDF, and the FTDF Committee retains all of  
2 its rights to seek to establish the amount of any reserve for the Kantor Claims to allow the  
3 FTDF to make any future distributions to equity holders in the FTDF.

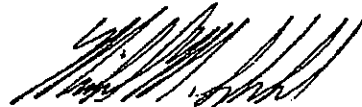
4  
5 5. FTDF has previously filed an objection to the Kantor Claims, which objection  
6 has been continued for hearing to March 1, 2007 at 9:30 a.m., and the Kantor Claimants have  
7 until and including February 20, 2007, to file a response.

8 DATED this 13 day of February, 2007.

9 SHEA & CARLYON, LTD.

McGUIRE WOODS, LLP

10  
11 



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16 and

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